

An Agency of the State of Hawaii

Stadium Authority Meeting 99-500 Salt Lake Boulevard Honolulu, Hawaii 96818 February 28, 2008

Members Present

Kevin Chong Kee, Chairman

Kay Ahina

Marvin Fong

Kathryn Inouve

Alexander Kane, Jr.

Marcia Klompus

Kenneth Marcus

Nelson Oyadomari

Staff

Scott Chan

Lois Manin

Deborah Ishihara

Stephen Lee

Andrew Chang

Members Absent Alan Tamayose

Liane Nakagawa

Shawn Nagata

Engel Garcia

Others

John Dellera, Deputy Attorney General

Randall Nishiyama, Deputy Attorney General

Russ Saito, DAGS Comptroller

Kerry Yoneshige, DAGS

Carl Clapp, UH Acting Athletic Director

Roger Reeves, Centerplate

Davy Maruyama, Centerplate

Sam Shenkus, Centerplate's Marketing Consulant

Neumann Shim, Swap Meet Vendors Association

Ashley Harding, Swap Meet Vendors Association

Eseta Saole, Mansanto

I. CALL TO ORDER

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:10 a.m.

II. APPROVAL OF MINUTES OF THE JANUARY 31, 2008 MEETING.

Deputy Attorney General John Dellera corrected: 1) Bottom of Page 1 to read: Stadium's "legal counsel" instead of representative; 2) Page 6, No. 8, Prayer Center: a re-vote must be taken since the actual vote should have shown 4-0, which was not a majority of the members; 2) Bottom of Page 8 and Page 9, Adjournment to read: "1:30 p.m."

ON A MOTION BY MEMBER KATHRYN INOUYE TO ACCEPT THE MINUTES OF THE JANUARY 31, 2008 MEETING AS CORRECTED, AND SECONDED BY MEMBER MARCIA KLOMPUS, THE BOARD UNANIMOUSLY APPROVED THE MOTION.

III. MONTHLY REPORT

A. Chairman's Report

Chairman Kevin Chong Kee informed the Board that due to the very busy events' schedule (Pro Bowl, Great Aloha Run, Pan Pacific Soccer Championship and Legislative Hearings), the Manager will not be presenting his report on Goals & Objectives until the March meeting.

Status on Legislative Bills (Russ Saito)

The Legislative Bill (HB2429) that transfers management responsibilities of Aloha Stadium to the University of Hawaii (UH) has passed the House and will cross over to the Senate. The bill states that UH will receive the stadium revenues for UH purposes and that UH does not want the expense of repairing the stadium.

Deputy Attorney John Dellera stated under the current law, the Stadium Authority decides whether to charge rent for UH football for the use of the stadium. Under the new bill, UH would make that decision and the Board of Regents would control the new stadium corporation.

Manager Chong Kee stated another bill was recently passed by the Senate to change the makeup of the Authority; the Governor, Senate and House, would each appoint three members to the Stadium Authority.

Field Turf

We received reports that the existing field turf is worn down. Chairman Chong Kee requested that Manager Chan contact the manufacturer to find out the life expectancy of the turf and report to the Board of his findings.

The Board expressed its concern about the condition of the field and the possibility of a warranty that may still be in effect.

Manager Chan said he is looking at several options and has also spoken to the Pan Pacific Soccer Championship group who has contacts with other manufacturers at perhaps a reasonable cost. He noted also that Tim Davy who represents NFL (equipment and field) believed our field was compact to the point where it needed regrooming; we did that and we still have concerns.

Chairman Chong Kee said he will add this to the agenda as soon as Manager Chan has the available information.

The Honolulu High Capacity Transit Corridor Project

Mr. James Dunn and several consultants working with the City met with Manager Chan and staff to discuss the rail system. The current plans indicate it will run through Aloha Stadium's parking lot, directly by Gate 5 and over Section 1B. Chairman Chong Kee feels it is a safety hazard and has asked Manager Chan to arrange a presentation by the group at a future meeting. Comptroller Russ Saito will also be contacting the group to discuss jurisdictional issues.

B. Stadium Manager's Monthly Report

Manager Chan introduced the new building manager, Shelly Shoji, who previously worked with the Department of Human Services as a public housing supervisor for 14 years.

Otis Elevator Contract Extension

A meeting with representatives of Otis Elevator Company could not be arranged until March 14, 2008. Therefore, a report on our findings will be presented to the board at the March meeting.

UH 2008 Football Schedule

Thanked Carl Clapp for the early arrival of the 2008 Football Schedule.

New Orleans Sugar Bowl Trip Presentation

Five members (Scott Chan, Lois Manin, Stephen Lee, Shawn Nagata and Andrew Chang) of the stadium staff visited the Louisiana Superdome to observe the operations during a major event as a learning tool to improve operations at the stadium.

The staff presented a power point slide show of the entire facility and its operations, including the executive offices; employee briefing room; concessions; scoreboard production area; VIP seating; security system/ procedures; advertising; TV monitors; camera system; bag checks; parking area (5,000 stalls); motorized camera

platform, etc. It was noted that the parking fee was \$25; also employee parking is offsite and they are shuttled in.

The Board was impressed with the presentation and expressed their support in sending more employees to different facilities. Comptroller Saito stated it is a business expense and believes in order to run a stadium well, the staff must have the opportunity to see the comparisons at other facilities.

Pro Bowl

The Pro Bowl was very successful; attendance was over 46,000, and there were many positive comments about the event. A great amount of gratitude goes out to our maintenance crew who worked day and night (24/7) during the month of February.

Member Klompus said on a recent trip to the East Coast she did speak to members of the National Football League. They told her "this was the finest year they have ever had with the stadium." They were so impressed with Manager Chan and everyone on his team because of the preparations that went into the meetings, the agendas and all the items noted; and it was the smoothest experience they have ever had. They also wanted to thank the Board specifically on making Scott Chan the Stadium Manager.

Manager Chan said a facility of this magnitude cannot be run by one person. The thanks go out to the employees who assisted in putting this event together. Member Klompus told Mr. Chan it all depends who sits at the top – you and everyone are to be congratulated for the fine work done.

Great Aloha Run

This event followed the Pro Bowl, with over 19,000 runners participating. The military participated in large numbers, unlike previous years (due to deployment, the participants were less).

Pan Pacific Championship (PPC Soccer)

This event was new to Hawaii, and there were many challenges pertaining to our facility and the requests that were made. The Wednesday event, March 20, 2008 (on a school night) had approximately 11,000 in attendance. At the Saturday event, March 23, 2008, there were approximately 25,000. It turned out to be an excellent event for Hawaii.

The Board inquired about future soccer events. Manager Chan said PPC is definitely interested in returning, but their decision will be based on the market. Comptroller Saito said the future success of soccer at the stadium could be contingent upon us providing a field that meets the regulations for professional

soccer. This could be accomplished with the refurbishing work, if funding can be provided on a timely manner.

Marketing and Information Specialist

Member Klompus inquired about the status of this position. Manager Chan advised it will be discussed under New Business.

C. Approval of Events

1. The Prayer Center of the Pacific (Re-vote) (Statewide Prayer Watch)
January 3, 2009 (Saturday)

A MOTION WAS MADE BY MEMBER AHINA AND SECONDED BY MEMBER FONG TO ADD THIS EVENT TO THE AGENDA FOR A RE-VOTE. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER KLOMPUS TO APPROVE THE EVENT. ON A VOTE OF 6-0 THE MOTION CARRIED. MEMBER MARCUS ABSTAINED.

2. UH 2008 Spring Football April 26, 2008 (Saturday)

A MOTION WAS MADE BY MEMBER OYADOMARI AND SECONDED BY MEMBER INOUYE TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

3. City and County of Honolulu Employee Training & Remedial Exercise Kam Lot - August 24, 2008 (Sunday)

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER OYADOMARI TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

4. Education – 1st Hawaii, a 501c3 Non-Profit Organization Game Plan Academy – Student Athletic Program June 30-July 2, 2008 (Monday-Wednesday)

Member Klompus inquired about the missing G.E.T. license number. Events Manager Stephen Lee assured her it will be obtained prior to the event.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

5. Monsanto - Oahu

Defensive Driving Training – "Hands-on" Exercises August 7-8, 2008 (Thursday/Friday)

A presentation of this event was made by Eseta Saole.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER KLOMPUS TO APPROVE THE EVENT. THE MOTION CARRIED UNANIMOUSLY.

6. UHAD Monthly Report

Carl Clapp, Interim Athletic Director, thanked Manager Chan and Deputy Manin and staff for their cooperation and working together so well. He expressed appreciation for all of the effort and support that went into assisting UH with all of their events.

Regarding Bill 2429, there are two very important topics – one, the stadium needs assistance and the other is UH Athletics is going to require some assistance financially as they move forward also. Both of those issues are going to need answers.

Mr. Clapp expressed some sensitivity with reference to the Advertising RFP. He indicated that UH does from \$2.0 - \$3.0 million in advertising, which is an important revenue to them and would like some clarity in the RFP relative to UH. In their transition, he found information on their advertising and dropped it off to Manager Chan. Their goal is to memorialize the type of sponsorships they have had in the past into their lease agreement prior to the RFP process. Manager Chan said he did pass on the information to Chairman Chong Kee, who will discuss it with the Board after his review.

C. Centerplate/Swap Meet Monthly Report (report distributed)

Davy Murayama reviewed their monthly report and their efforts to increase attendance by contracting with Robert's Hawaii Shuttle, and advertising in the Driver Guide Analysis that is distributed to all the rental car agencies.

They are currently looking for a research company to provide answers on why the attendance is low at the Swap Meet. The research will cost

approximately \$11,000 and they are waiting for approval by their corporate offices.

Sam Shenkus reported they will try to obtain three estimates from research companies to do a thorough telephone research; the recommendation will be to look at all of Oahu, at designated zip codes and demographic profiles, and also identifying shopping profiles.

Member Inouye stated one of the problems is that they are looking at a retail experience which worked 20 years ago but is no longer successful. She also noted, to attract the local people, they need to provide a recreational experience, which would include food and activities. Ms. Inouye said she met with Centerplate and the Vendors' Association approximately 10 months ago and she is yet to receive a report of the current status.

Update by Deputy Manager Manin:

- For the past 3-4 weeks she has had regular meetings with Centerplate and the Vendors' Assn. (two members who are present at today's meeting).
- They have opened up the lines of communication.
- Centerplate is in the process of hiring a consultant (pending approval from their corporate office). Per Member Inouye's request, we want to hire a consultant to provide an overall business plan.
- They received one proposal from Milici Valenti @ \$300,000 \$500,000 which is not feasible and they are trying to find someone to do the job on a lower scale we are working on that.
- We are under the assumption that advertising is the problem but we have no data to support that; and it is not certain that advertising is the problem.

Member Inouve asked for the objectives.

Manager Chan said management understands how important the Swap Meet is to the stadium and realizes there are several concerns. That is why he has appointed Deputy Manin to focus on this issue. We are adamant about hiring a consultant, but that was put on hold, not knowing that their contract was going to be extended.

Objectives (L. Manin)

- 1. Open dialogue with the Vendors Assn., Stadium Authority and Centerplate;
- 2. Identify where our problems are. We all know that something definitely needs to be done;
- 3. Agree there is a commitment from Centerplate to hire a consultant;
- 4. Create a timeline.
- 5. The Vendors Association agrees there are problems and we need to hire a consultant, but their concerns are what are we going to do in the meantime.

One suggestion is to lower the entrance fee, but it is only an assumption that the fee is the cause of decline in attendance. They would like to try it, but it is a big financial risk with no real data to support that action. It would also need Board approval.

6. Everyone needs to understand whenever changes are made, there will be some unhappy people. Once a change is made everyone must stand behind it and not change the plan.

Conclusion:

Ms. Manin stated we are working together; the lines of communication are open; we are very productive in a sense, but we are in kind of a standstill at what we are going to do, i.e. Board approval regarding fees.

Neuman Shimm

- 1. The meetings have definitely opened the lines of communication.
- 2. In the meantime, they are moving forward without a consultant, reviewing numbers, and asking Centerplate questions in an attempt to find more information to come up with some assumptions.

Member Inouve

The Swap Meet is a critical source of revenue for the stadium. Can we ask for a status report including the hiring of a consultant and a timeline at the next meeting? Ms. Manin will provide the report.

Member Oyadomari suggested and Member Klompus agreed that the Vendors should call their legislators with reference to Bill HB 2429.

IV. UNFINISHED BUSINESS – DISCUSSION AND APPROPRIATE ACTION

A. Stadium Repair Work.

Comptroller Saito provided an update of the repair budgets and projects. He also explained that most of the previously approved \$13.4 million is already allotted for, which also includes a portion of the bridge stiffening project.

A \$25.6 million request has been submitted to the Legislature for the Supplemental Budget year. A portion of the \$25.6 million (if approved) is also being used for the bridge project. If the \$25.6 million is not approved, Comptroller Saito stated we will only have the \$13.4 million to work with. He also explained the budgeting process to the Board.

Manager Chan stated that when the funds are approved, we hope to move forward with the projects to show visible improvements, including replacing 3,000 seats per season.

B. Aloha Stadium Advertising Contract – Discussion and action on the new "RFP" for the Aloha Stadium Advertising Contract

Deputy AG John Dellera said they are not ready to advise the Board and if the Board needs to know the reasons, it should be discussed in Executive Session.

V. EXECUTIVE SESSION

A MOTION WAS MADE BY MEMBER FONG AND SECONDED BY MEMBER MARCUS TO GO INTO EXECUTIVE SESSION AT 12:10 P.M. THE MOTION CARRIED UNANIMOUSLY.

The meeting reconvened to regular session at 1:15 p.m.

VI. NEW BUSINESS – Discussion and Appropriate Action

Marketing and Information Specialist – Discussion and action on the description for the "marketing position" at Aloha Stadium.

Deputy Manin stated the revised position description was presented at the previous meeting and was open for discussion and action by the Board. The Board was

satisfied with the new language and instructed Mr. Chan and Ms. Manin to proceed with filling the position.

VI. NEXT MEETING

March 27, 2008

VII. ADJOURNMENT

1:30 P.M.

KEVIN CHONG KEE

Chairman

Recorded by:

Diana Ho

Approval Date:

March 27, 2008